

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1934 - HB 2352

February 3, 2022

SUMMARY OF BILL: Authorizes a cemetery company's trustee of an improvement care trust fund the option of either establishing an improvement care trust fund or a master improvement care trust fund to hold the funds for multiple cemetery companies or all pre-need cemetery contracts. Re-defines net earnings relative to each improvement care trust fund. Requires a trustee to provide an annual financial report of established trusts to the Department of Commerce and Insurance (DCI) and make accounting records for the trust available to the Department and to the Comptroller of the Treasury (COT) for review and auditing purposes. Requires a trustee that uses a board for the management of a trust to maintain insurance on behalf of each board member against liability asserted against or incurred by the board member.

FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Authorizing cemetery companies to establish either or both trust funds depending on the cemeteries' needs, will not result in a significant impact to state government.
- Any auditing or reviewing responsibilities by DCI or the COT be handled within existing department resources.
- Based on information provided by DCI's Burial Services/Cemetery Division, it is unknown how many, if any, cemetery company trustees would elect to have any trust funds managed by a board; however, the cost to maintain such insurance would be to cemetery companies and would not have any significant fiscal impact to state or local government.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

- Any increase in expenditures for maintaining insurance for board management of a trust is anticipated to be offset by a reduction in trustee expenses as the option to have

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multiple types of trusts will allow a cemetery company to have a greater pool of money to support the needs of the smaller cemetery companies.

- The overall net impact to commerce and jobs in Tennessee is not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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